

### PEPSI INVESTS \$40 MILLION IN MONTRÉAL

The American giant Pepsi has announced a \$40 million project at its plant in the borough of Saint-Laurent, Montréal. Work began a few months ago and is expected to be completed during the summer. The investment will allow Pepsi to expand its range of products and increase its production and distribution capacity. New technology will also enable it to produce plastic bottles on-site and save on plastic. Pepsi, which is celebrating its 75th anniversary in Montréal this year, employs more than 1,000 people in Québec.

### ALCOA INVESTS IN BAIE-COMEAU

Alcoa recently provided details on two projects concerning its aluminum plant in Baie-Comeau. The first, requiring an investment of \$1.2 billion, involves modernizing the plant. When the work is completed in 2015, the aluminum smelter will produce 550,000 metric tons of aluminum, 110,000 more than its current maximum output. The second project, estimated at \$150 million, involves the docks. Alcoa will refurbish the three existing docks and plans to build a fourth capable of handling Supramax-class ships.

### INGEGNERIA DEI SISTEMI (IDS) OPENS A FACILITY IN QUÉBEC

Italian engineering firm Ingegneria Dei Sistemi (IDS), which specializes in research and innovation applied to electromagnetic fields, has decided to open a facility in Montréal to penetrate the North American market. IDS has created a new entity, IDS North America Ltd., which will invest \$18.5 million in Québec and hire more than 50 people. Active in roughly twenty countries, IDS designs technological solutions for the aerospace, naval, aeronavigation and geolocation industries.

## RESEARCH AND DEVELOPMENT AT SAP LABS

To ensure the growth of its R&D team, SAP Labs Canada has created a sound network bringing together not only its employees, but also its clients, government agencies, universities and local partners.

With the R&D world so highly competitive, R&D teams must be top-notch to stand out from the other units in their group. "As part of SAP's network, we have to work together with our parent company and the other SAP labs around the world. In addition to collaborating with the other labs, we compete against them for different SAP development mandates," explains Maria Codipietro, Managing Director of SAP Labs Canada.

"We've developed an excellent relationship with our parent company by capitalizing on the cultural characteristics and strategic advantages of Montréal, where we've found a large pool of highly talented, multilingual researchers. Montréal is also known for its numerous universities and research centres and we work in partnership with that community. We also maintain close ties with organizations like Investissement Québec to benefit from the assistance offered in the R&D and e-business sectors," says Codipietro.

When Codipietro took the helm of SAP Labs Canada in 2007, the company was undergoing a major organizational change, transferring some of its support services to a shared-services environment. SAP Labs Canada

nonetheless experienced spectacular growth, its Montréal workforce soaring from 85 employees in 2003 to almost 400 today.

In addition to its extensive network, the subsidiary owes its success to a set of good practices aimed at recruiting and retaining talented, dynamic personnel. "There's no doubt that the quality of our team is central to our success. But attracting the best people is only the beginning. We have to find ways for them to realize their potential," admits Codipietro. "So we create an open, flexible work environment that respects diversity, encourages entrepreneurial thinking and offers attractive career opportunities. For this type of environment, we have to promote in-house information sharing and ensure that new ideas, opinions and viewpoints circulate freely. That's how we create a corporate culture that gives employees optimal freedom." According to Hewitt Associates, SAP Labs Canada, together with SAP Canada, is one of the best employers in Canada in 2009.

These considerations are part of the Lean approach that SAP recently adopted to foster efficiency and effectiveness by targeting quality, operational efficiency and employee autonomy through improved, standardized processes.

SAP's good practices also apply to sustainable development. For the past nine years, SAP has been recognized by the Dow Jones Sustainability Index—which rates the leading sustainability companies—for its ethical, environmental, social and governance values.

Maria Codipietro is very enthusiastic when she talks about her experience: "After two years, I'm still just as impressed by SAP's dynamic approach, commitment to innovation and determination to deliver exceptional value to its partners and clients in the short and long term." ■



Photo: Jean-François Lafont

Established in Montréal since 1998 and Toronto since 2005, SAP Labs Canada is part of SAP's global development network. It develops software solutions in retail, mobility, utilities, media and customer relationship management.

# HUNKERING UP IN TIMES OF CRISIS

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## JUST RELEASED

The 2009 edition of *Taxation in Québec* has just been released in French and English. Published each year by Investissement Québec and Raymond Chabot Grant Thornton, the brochure reviews the principal tax measures that may be of interest to foreign companies considering investing in Québec.

It provides a brief description of Québec's tax system, including corporate income tax, taxation as a source of financing, consumption taxes and personal income tax. For a copy, call 1 866 870-0437 or download the PDF version from Investissement Québec's web site at [www.investquebec.com](http://www.investquebec.com).

## TWO NEW FOREIGN OFFICES FOR INVESTISSEMENT QUÉBEC

On June 18, Liliâne Laverdière, International Business Development Manager with Investissement Québec, inaugurated the corporation's new office in Atlanta, which will serve the entire southeastern United States.

On July 1, Mitali Bandekar began operations at the Investissement Québec office in Mumbai. The new office will be officially inaugurated during the Québec Premier's mission to India in the spring of 2010.

Investissement Québec now has ten offices in Europe, the United States and Asia, which will help strengthen its ties with parent companies in these regions.

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If you have any questions, comments or suggestions, please write to us at [IQexpress@invest-quebec.com](mailto:IQexpress@invest-quebec.com).

Investissement Québec participated in the International Economic Forum of the Americas in June for the second year in a row, organizing a workshop for the heads of foreign subsidiaries established in Québec in cooperation with the Ministère du Développement économique, de l'Innovation et de l'Exportation.

The workshop, *Investment and Risk Assessment in Difficult Economic Times*, enabled subsidiaries to hear reports by three executives of parent companies that have had to review their business models because of the current economic crisis. The changes made by these corporations have obviously had an impact on subsidiaries in Québec.

In only one year, the economic landscape has completely changed. In 2008, people were wondering what to do in an economy where the Canadian dollar was almost at par with the American; in 2009, people are wondering how to survive the crisis. According to the three speakers



Zin Smati, President and Chief Executive Officer, GDF Suez Energy

at the workshop—Gunnar Heldebro from Ericsson, Zin Smati from GDF Suez Energy, and Farhat Ali from Fujitsu Computer Corporation—the crisis can nonetheless be a source of renewal for agile companies able to shift gears and see opportunities where others see only pitfalls.

"Subsidiaries of larger businesses have to be part of the renewal; they have to be part of the solution," said Jacques Daoust, President and Chief Executive Officer of Investissement Québec, at the beginning of the workshop. "They even have to be ahead of the game. And as we know, many businesses here are

committed to offering better conditions to their parent companies and focusing on what they do best."

During the luncheon following the workshop, Jeffrey Immelt, Chairman and Chief Executive Officer of GE, aptly summarized the mood of participants, saying "If you're hunkering down, you'll be crushed. If you're hunkering up, you'll win." ■

## ATTRACTING TALENT AND SUPPORTING INNOVATION A PROACTIVE POLICY OF THE QUÉBEC GOVERNMENT

Québec boasts an exceptional pool of high-calibre talent. Many Québec cities are choice locations for recruiting skilled employees and establishing a community focusing on research and innovation. In addition, the government offers programs and tax measures to help companies specializing in IT, R&D and e-business. Here are a few examples:

### TAX HOLIDAY FOR FOREIGN RESEARCHERS AND EXPERTS

This is a tax holiday for foreign workers with expertise in certain specialized sectors who move to Québec to work here. The holiday consists of a Québec tax exemption for a maximum continuous period of five years, applicable to part of the employee's salary.

### DEVELOPMENT OF E-BUSINESS

To encourage the development of information technology across Québec as well as the expansion of companies active in this field, the Québec government introduced a tax credit for the development of e-business. This credit is equal to 30% of eligible salaries incurred between March 14, 2008 and December 31, 2015, up to a maximum annual credit of \$20,000 per employee.

### PRODUCTION OF MULTIMEDIA TITLES

This refundable tax credit for the production of multimedia titles helps companies reduce their production costs. Depending on the category of titles produced, assistance can represent up to 37.5% of labour costs. Most titles produced for commercial use, including those commissioned, are eligible.

### INTERIM FINANCING OF TAX CREDITS

Companies eligible for tax credits relating to scientific research and experimental development, the knowledge-based economy or an increase in payroll, among others, can apply to Investissement Québec for interim financing of these tax credits.

Investissement Québec also offers a wide range of services to businesses in these sectors seeking to consolidate their presence or expand in Québec. ■